

109TH CONGRESS
2D SESSION

H. R. 5517

To amend the Small Business Act to establish a temporary loan program and a temporary vocational development program for small business concerns owned and controlled by veterans.

IN THE HOUSE OF REPRESENTATIVES

MAY 25, 2006

Mr. UDALL of New Mexico (for himself, Mrs. EMERSON, Mrs. KELLY, and Mr. MICHAUD) introduced the following bill; which was referred to the Committee on Small Business

A BILL

To amend the Small Business Act to establish a temporary loan program and a temporary vocational development program for small business concerns owned and controlled by veterans.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Seeds for Soldiers
5 Act”.

1 **SEC. 2. TEMPORARY LOAN PROGRAM FOR SMALL BUSI-**
2 **NESS CONCERNS OWNED AND CONTROLLED**
3 **BY VETERANS.**

4 (a) IN GENERAL.—The Administrator may make a
5 loan under section 7(a) of the Small Business Act (15
6 U.S.C. 636(a)) to a small business concern owned and
7 controlled by veterans.

8 (b) SPECIAL RULES.—Notwithstanding the require-
9 ments of section 7 of the Small Business Act (15 U.S.C.
10 636), the following special rules apply to a loan under this
11 section:

12 (1) The Administrator may make a loan under
13 this section for any business purpose, including the
14 refinancing of any outstanding business debt.

15 (2) No payment of principal on a loan under
16 this section shall be due or payable during the 1-
17 year period beginning on the date on which the loan
18 is issued. Any interest payable with respect to the
19 loan for such period shall be paid by the Administra-
20 tion.

21 (3) A loan may be made under this section if
22 the total amount outstanding and committed to the
23 borrower under section 7(a) of the Small Business
24 Act (15 U.S.C. 636(a)) would not exceed
25 \$3,000,000.

1 (4) In the case of an agreement to participate
2 on a deferred basis in a loan under this section—

3 (A) the participation of the Administration
4 shall be equal to 90 percent of the balance of
5 the financing outstanding at the time of dis-
6 bursement of the loan;

7 (B) the Administrator shall collect (except
8 in the case of a loan that is repayable in 1 year
9 or less) a guarantee fee for any loan under this
10 section, which shall be payable by the partici-
11 pating lender, and may be charged to the bor-
12 rower as follows:

13 (i) A guarantee fee equal to 0.5 per-
14 cent of the deferred participation share of
15 a total loan amount that is not more than
16 \$150,000.

17 (ii) A guarantee fee equal to 1.5 per-
18 cent of the deferred participation share of
19 a total loan amount that is more than
20 \$150,000, but not more than \$700,000.

21 (iii) A guarantee fee equal to 2 per-
22 cent of the deferred participation share of
23 a total loan amount that is more than
24 \$700,000; and

1 (C) the annual fee assessed and collected
2 on any such loan shall not exceed an amount
3 equal to 0.15 percent of the outstanding bal-
4 ance of the deferred participation share of the
5 loan.

6 (5) The Administrator may make such loans
7 without regard to the ability of a small business con-
8 cern to obtain credit elsewhere.

9 (6) The Administrator shall make such loans
10 without regard to the availability of collateral to se-
11 cure such loans.

12 (c) TERMINATION.—The Administrator may not
13 make a loan under this section after December 31, 2008.

14 (d) DEFINITIONS.—For the purpose of this section,
15 the terms “Administrator”, “Administration”, “credit
16 elsewhere”, and “small business concern owned and con-
17 trolled by veterans” have the respective meanings given
18 such terms in section 3 of the Small Business Act (15
19 U.S.C. 632).

20 (e) AUTHORIZATION OF APPROPRIATIONS.—There is
21 authorized to be appropriated to carry out this section
22 \$25,000,000 for fiscal year 2007. Such sum shall remain
23 available until expended.

1 **SEC. 3. TEMPORARY VOCATIONAL DEVELOPMENT PRO-**
2 **GRAM FOR VETERANS.**

3 (a) ESTABLISHMENT.—In accordance with this sec-
4 tion, the Administrator shall make grants to small busi-
5 ness development centers for the provision of a program
6 of assistance for veterans that includes training in a voca-
7 tional or technical trade and entrepreneurial assistance in
8 establishing and operating a small business concern that
9 provides services in such trade.

10 (b) MINIMUM GRANT AMOUNT.—The Administrator
11 shall not make a grant under this section for an amount
12 less than \$500,000.

13 (c) APPLICATION AND AWARD.—

14 (1) APPLICATION.—To be eligible to receive a
15 grant under this section, a small business develop-
16 ment center shall submit to the Administrator an
17 application in such form and containing such infor-
18 mation and assurances as the Administrator may re-
19 quire and that includes information regarding the
20 applicant's goals and objectives for the program of
21 assistance to be provided with the grant.

22 (2) PRIORITY IN AWARDING GRANTS.—In
23 awarding the grants, the Administrator shall con-
24 sider the needs of the area served by the small busi-
25 ness development center, including whether the small

1 business development center is located in the prox-
2 imity of a United States military installation.

3 (d) TERMINATION.—The Administrator shall not
4 make any grant under this section after December 31,
5 2008.

6 (e) COORDINATION WITH SMALL BUSINESS ACT.—
7 A grant made under this section shall not be taken into
8 account for purposes of section 21 of the Small Business
9 Act (15 U.S.C. 648).

10 (f) DEFINITIONS.—For purposes of this section the
11 following definitions apply:

12 (1) The term “Administrator” means the Ad-
13 ministrator of the Small Business Administration.

14 (2) The term “small business development cen-
15 ter” means a small business development center de-
16 scribed in section 21 of the Small Business Act (15
17 U.S.C. 648).

18 (3) The term “veteran” has the meaning given
19 such term in section 3(q)(4) of the Small Business
20 Act (15 U.S.C. 632(q)(4)).

21 (g) AUTHORIZATION OF APPROPRIATIONS.—There is
22 authorized to be appropriated to carry out this section
23 \$25,000,000 for fiscal year 2007. Such amount shall re-
24 main available until expended.

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